

CALIFORNIA ENERGY COMMISSION

1516 NINTH STREET
SACRAMENTO, CA 95814-5512

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May 2, 2005

TO: AGENCY DISTRIBUTION LIST

REQUEST FOR AGENCY PARTICIPATION IN THE REVIEW OF THE PASTORIA ENERGY FACILITY 160 MW (MEGAWATT) EXPANSION PROJECT, APPLICATION FOR CERTIFICATION (05-AFC-1)

The California Energy Commission adopted siting regulations for expedited six-month Applications for Certification (AFC) which implement Public Resources Code section 25550 (AB 1776, Chapter 329, Statutes of 2004). These regulations require all local, regional, and State agencies to provide their final comments, determinations and opinions within 100 days of the filing date of the Application for Certification. As part of our review process, the staff of the Energy Commission works closely with local, State and federal agencies to ensure that all laws, ordinances, regulations and standards are met and incorporated into the final decision of the Energy Commission. To ensure that this occurs, we request your cooperation by completing your review and issuing any formal notices, findings, opinions (such as those contained in a final Determination of Compliance, wastewater discharge requirements, biological opinions, and land use decisions) within the 100-day requirement.

For federal agencies, President George W. Bush previously directed all relevant agencies to expedite federal permit reviews with respect to the siting of new power plants in California. We appreciate your timely assistance in this matter.

Project Description

On April 29, 2005, Pastoria Energy LLC filed the enclosed Application for Certification (AFC) for the Pastoria Energy Facility 160 MW (megawatt) Expansion (PEFE) Project, seeking approval from the Energy Commission to construct and operate an additional 160 MW unit at its existing power plant site. The previously approved 750 MW Pastoria Energy Facility (PEF) was analyzed and licensed as part of the Energy Commission's facility licensing proceeding, 99-AFC-7, and is approximately 90% complete.

The project is proposed to be located on the existing 30-acre Pastoria Energy Facility site on the Tejon Ranch in Kern County. The site is about 30 miles south of Bakersfield and about 6.5 miles east of Interstate 5 near the base of the Tehachapi Mountains, in Township 10 North, Range 18 West, and is approximately 0.85 mile north of the California Aqueduct and about 1.3 miles north of the Edmonston Pumping Plant (California Department of Water Resources). The facility address is 39789 Edmonston Pumping Plant Road, Lebec, CA.

The proposed PEFE incorporates one additional natural gas-fired, F-Class combustion turbine generator (CTG) operating in simple cycle mode into the original three-unit PEF,

for a total of four units. The plant will continue to use Best Available Control Technology (BACT) to minimize gas turbine emissions. The PEFE applicant plans to use Selective Catalytic Reduction for pollution control with aqueous ammonia as the reagent in the catalytic reduction process. The PEFE project will not require any changes to the existing facility's fuel or water supplies, nor will it require upgrading the transmission system.

Energy Commission's Facility Certification Process

The Energy Commission is responsible for reviewing and ultimately approving or denying all thermal electric power plants, 50 MW and greater, proposed for construction in California. The Energy Commission's facility certification process carefully examines public health and safety, environmental impacts and engineering aspects of proposed power plants, and all related facilities such as electric transmission lines, natural gas pipelines, water and wastewater pipelines. The Energy Commission is the lead agency under the California Environmental Quality Act (CEQA).

The first step in the review process is for Energy Commission staff to determine whether or not the AFC contains all the information required by our regulations. During this data adequacy phase, we request that you review the sections of interest to your agency and determine whether the major issues of concern to your agency have been identified. At this time, we are only concerned that such issues are disclosed, not necessarily that they be discussed in detail.

After the AFC is deemed data adequate, we will begin data discovery and the analysis phases for a maximum 90-day period. During this time, a detailed examination of the issues will occur, and there will be opportunities for Energy Commission staff and your staff to request that the applicant provide any additional information deemed necessary for proper analysis and resolution of the issues. Note however, statutes require your final determinations within 100 days from the original AFC filing date. We request that any requests for additional information come early in the discovery process to ensure timely issuance of your agency's final determination.

Over the next six months, the Energy Commission will conduct a number of public workshops and hearings on the proposal to determine whether the project should be approved for construction and operation and under what set of conditions. These workshops will provide the public as well as local, State and federal agencies the opportunity to ask questions about, and provide input on, the proposed project. The Energy Commission will issue notices for these workshops and hearings, normally 14 days, but in no case later than 10 days, prior to the meeting.

Agency Participation

We request that you provide any written comments you may have regarding the disclosure of potential issues of concern by May 20, 2005. Please provide your

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comments to James W. Reede, Jr. Ed.D, the Energy Commission's Project Manager. Your agency may also present its comments and recommendations in person at the Energy Commission's June 8, 2005 business meeting. The limited purposes of that meeting will be to determine whether the AFC is data adequate in accordance with our regulations and to assign a committee of two commissioners to oversee the proceeding.

If the AFC is accepted as data adequate, your participation in future proceedings is encouraged and will consist of identifying and resolving issues of concern to your agency. There may be specific requests for agency review and comment during the proceeding. We look forward to working with your staff on the various issues of interest to your agency and remind you that statutes require that any formal opinions, recommendations, legal requirements, and findings of your agency are completed within 100 days.

Local agencies may seek reimbursement for costs incurred in responding to these requests. If you have questions or would like additional information on reimbursement or on how to participate in the Energy Commission's review of the project, please contact James W. Reede, Jr. Ed.D, Siting Project Manager, at (916) 653-1245 or jreede@energy.state.ca.us. The status of the project, copies of notices and other relevant documents are also available via the Energy Commission's Internet web site at: <http://www.energy.ca.gov/sitingcases/index.html>.

Sincerely,


Roger Johnson, Manager

Siting and Compliance Office

Enclosure

Mailed to list 7199